GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1340
ANSWERED ON:02.05.2016
Profit/Loss to Refineries
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the cost of crude oil procured by the Oil Marketing Companies (OMCs) and the amount of net profit per barrel earned by them during the last three years;
(b) whether the reforms in the fuel sector have helped OMCs to reduce debt levels and replace high cost debt with low cost foreign currency debt and if so, the details thereof;
(c) whether the OMCs are incurring losses and have reported turnover drop during the last two quarters of the current year on account of huge inventory and foreign exchange losses as well as low refining margins and if so, the details thereof along with profit/loss and turnover incurred by the OMCs during the current year, quarter/OMC-wise;
(d) the quantum of oil refined by OMCs during the twelfth plan and the quantum of production achieved against the installed capacity of OMCs and the steps taken by the Government for optimum utilisation of refining capacity during the current plan, OMC-wise; and
(e) whether the various upstream oil companies disagree with the present mechanism and have demanded an amicable formula for sharing of subsidy and if so, the details thereof and the steps taken in this regard?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a): The quantity and value of crude oil procured by the Public Sector Oil Marketing Companies (OMCs) since 2012-13 is given in Annexure 1.
The Net Refining Margin (NRM) per barrel of the PSU OMC refineries since 2012-13 are given below:
($/bbl.)
Net Refining Margin
2012-13
2013-14
2014-15
Apr-Dec'2015
IOCL
0.05
1.30
(2.35)
3.22
BPCL
1.86
1.44
1.09
4.02
HPCL
(1.48)
0.35
(0.28)
2.67
The overall net profit after tax (PAT) reported by the PSU OMCs since 2012-13 are given below:
(Rs. Crore)
2012-13
2013-14
2014-15
Apr-Dec'2015
IOCL
5005
7019
5273
9163
BPCL
2643
4061
5085

4883
HPCL
905
1734
2733
2310
(b): The level of debt of the PSU OMCs is given below:
(Rs. Crore)
OMC
Type / Currency
31.3.2013
31.3.2014
31.3.2015
31.12.2015
IOC
Foreign Currency
45936
55153
35610
35524
INR
34958
31110
19638
13596
Total
80894
86263
55248
49121
BPC
Foreign Currency
20763
16475
11308
15556
INR
3076
3847
1790
1130
Total
23839
20322
13098
16686
HPC
Foreign Currency
26575
26604
16033
18426
INR
7214
5560
4303
1543
Total
33789
32164
20335
19969
(c): The OMCs-wise details of turnover, Gross refining margin (GRM) Net profit after tax (PAT), inventory gain/loss and foreign exchange gain/loss for the Q1, Q2 & Q3 of the current financial year are given in Annexure 2.
(d): The crude oil processed by OMCs viz-a-viz their installed capacity during the 12th five year plan is given at Annexure 3.
The refinery sector in the country is de-licensed and Oil PSUs take appropriate decisions to implement new refinery projects, expand and modernize the existing Refineries. PSUs refineries in India have been achieving average capacity utilization of over 100% for last three years.
(e): The Public Sector upstream Oil Companies, namely Oil and Natural Gas Corporation (ONGC) & Oil India Limited (OIL) have requested the Government to review the subsidy sharing mechanism and exempt them from sharing of subsidy. In the financial year 2015-16, Government has decided to provide a fixed fiscal subsidy of Rs.18 per kg under the Direct Benefit Transfer for Domestic

LPG during April - October, 2015 and Rs.15 per kg for the period November, 2015 onwards. This, at present, covers the entire burden of DBTL subsidy on Domestic LPG and no sharing of subsidy is being done by the Public Sector Oil Companies. Government has also approved budgetary support for sharing the under-recovery on PDS Kerosene for current financial year @ Rs.12/ Litre and the balance under-recovery would be borne by the Public Sector Oil Companies. However, in view of the request of Public Sector upstream Oil Companies for relief from sharing the under-recovery of OMCs; they have been exempted from sharing of under-recoveries of OMCs in Q3 of the financial year 2015-16.

x-x-x-x-x